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14 October 1982

MEMORANDUM FOR: Deputy Director for Administration
Deputy Director for Intelligence
Deputy Director for Operations
Deputy Director for Science & Technology
Director of Personnel
Comptroller
Inspector General

FROM: [REDACTED]
Executive Director

SUBJECT: Long-Range Planning Phase III Summary

1. Forwarded herewith is the Summary Report for Phase III of our long-range planning process, prepared by the Planning Staff; it includes:

- a review of programmatic guidance resulting from the Intelligence Capabilities in 1985 study,
- a summary of Phase III proposals for improving capabilities,
- the implications of these proposals,
- proposed long-range goals, and
- strategy options.

I would like to have your preliminary reaction to this paper and your views on the need, if any, for an EXCOM meeting by 22 October 1982.

2. This paper is also intended to serve as preliminary guidance to the Phase IV teams on R&D, Support, and Personnel. On the basis of preliminary discussions with the Planning Staff, the Phase IV planning teams have already started by analyzing the individual Phase III studies for impact on their team. I think this paper provides a good basis for focusing the Phase IV effort, especially in the support and personnel areas.

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3. Phase IV will bring us closer to real world decisions. Quite obviously, the arithmetic sums which are emerging, whether of position or dollar totals, are not sustainable, or desirable. Prioritizing and reallocation versus sheer growth, attention to selection of manpower; some form of performance measurement, cross-directorate coordination -- all these are part of the dialogue.



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Attachment

CIA's Long-Range Intelligence Capabilities

A Summary of Phase III

1. Scope: This paper summarizes the five Phase III Long-Range Planning studies on analytical, counterintelligence, covert action, HUMINT, and technical collection capabilities. It describes the major themes that are common to all the papers and suggests strategy alternatives based on these studies and the judgment on the relative value of additive improvement expressed in NFIP guidance for the FY 1984-88 time frame. This paper is also intended as guidance for the Phase IV planning teams on personnel, support, research and development, and Agency-wide management.

2. Guidance: The 1985 Intelligence Capabilities study highlighted the major DCI intelligence goals and objectives (summarized at attachment A and B respectively) and pointed to near- and mid-term improvements that could be made to meet them. The D/NFAC, in conjunction with Intelligence Producers Council members, evaluated the relative priority for making additional improvements in effort on each of the substantive challenges described in the 1985 Intelligence Capabilities study. These judgments were reflected in Intelligence Community guidance to the development of the 1984-88 NFIP (attachment C). This guidance places emphasis on improvement against Third World, Economic, [redacted] and Unconventional Threats (terrorism, nuclear proliferation, narcotics, etc.), while continuing to make improvements in other areas.

The Phase II 10-year forecast of intelligence needs and priorities illustrates the need to re-examine our analytic and collection capabilities across the full range of intelligence problems (with differing priorities on specific informational needs within each target area, in accordance with DCID 1/2). The results of Phase II include the need for priority emphasis on the nuclear proliferation, terrorism, Soviet leadership succession, Muslim resurgence, Third World instability, technology transfer, and international economic problems.

3. Capability Proposals: The proposals for new capabilities created by the Phase III teams include general strategies, generic improvements, organizational relations, and activities related to specific targets. This section summarizes the proposals in terms of the individual papers and aggregate needs.

Individually the studies include general strategy proposals and areas for specific improvements:

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ANALYTICAL CAPABILITIES

The principal goals for analysis will be to increase the size of work force with emphasis on selected targets, implementation of major ADP improvements, and provision of a more adequate analyst working environment.

Targets: The priority activities will be:

- continued primary emphasis on Soviet military threat
- expanded research on Third World topics and new work on an indepth data base
- more intense effort on the Soviet economy with emphasis on the defense section
- nuclear proliferation
- studies on foreign industrial competitiveness

People: The study proposes an increase in the analytical staff of about [] the 1982 strength, including additional area analysts, economists, scientists/engineers, military analysts, and methodologists. A critical factor in getting the benefit of this increase is adequate space.

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ADP: The study stresses the acquisition of reliable, responsive ADP equipment for word processing, automatic entry of large data volumes, on-line editing, etc. The ultimate goal is to provide a communications, data handling, and word processing capability for every analyst.

Methodologies: The study stresses the continuation of the implementation of methodologies to help analyst identify trends, provide forecasts, bridge information gaps, and provide early warning. Needs are expressed for techniques that allow computer simulations of economic, political, social and demographic factors with variations relevant to particular targets. Methods for analyzing expected new types of imagery are needed as are computer aids for manipulating large volumes of data.

Training: In addition to continuing emphasis on language training, the Third World-related target papers note the necessity for strong support by DoD for training military analysts and for opportunities for field trips to military-related facilities. Increasing in-country familiarization continues as a major objective.

External Liaison: Analysts will increasingly look to other agencies such as State, Treasury, and Commerce

for reporting on economic and other kinds of data. It will also be important for State to facilitate in-country experience for area analysts.

HUMINT

Additional operations officers are requested for all targets but stress is placed on improvements in qualitative factors, such as personnel management, language training, liaison with other CIA and Community elements, ADP, and technical support.

Some specific proposals are:

Targets: Target-specific goals include the

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American case officers. Increased resources would also be applied to the other targets.

Staff: The study projects an increase in operations officers [REDACTED] but the major need is for improvements in personnel management.

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Interdirectorate Liaison: The DO intends to work more closely with DS&T to find alternate solutions to collection problems. It will also need closer relations with the DI for refinement of priorities and assistance on data needs for special disciplines (economics, sociology, etc.).

External Liaison: It will be necessary to intensify long-standing efforts to improve relations [REDACTED] requirements, and priorities. Greatly expanded effort on liaison with the military services is needed to provide additional opportunities

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[REDACTED]

ADP: Stress will be on efforts to provide electronic file systems and word processing to overseas units as an enhancement to security in emergency situations and improvement in productivity. Extension of the use of automation by DO Headquarters elements will also be pursued.

Technology: A priority goal is to improve the security of agent operations. Much of this improvement will come from a selective expansion of the use of technical means of communication. Efforts will be made to strengthen DO technology requirements process and increase its impact on program decisions for the development and procurement of agent equipment.

TECHNICAL COLLECTION

Improvement of these capabilities will be obtained principally through completion of the ongoing NPIC upgrade, modernization of and additional units for the FBIS, additional [] personnel for operation of new [] sites, and expanded participation in development and operation of []

equipment. The new FBIS units will also increase coverage of Third World targets.

People: The technical collection activities will need an increase of about [] people by 1992; although a large part of this increase is programmed for 1984.

COVERT ACTION

The CIA capabilities for action to support U.S. interests worldwide will be improved by applying the DCI's 17 point infrastructure program to seven core issues.

Technology: There are some specific areas, such as TV and radio techniques, where benefit can be obtained from new applications of technology. In addition some sensitive DS&T collection activities may be adaptable to specific operations. Improved interdirectorate coordinating mechanisms are required.

COUNTERINTELLIGENCE

The NSSD-2 study, conducted in conjunction with other Intelligence Community elements, forms the basis for CIA

CI capabilities in the future. There are needs for increased resources for security, operations, equipment, and analysis of CI and countermeasures threats.

Operations: Overseas case officers for increased penetration of Soviet and related services and counter to technology transfer; increased relations with cooperating foreign intelligence services.



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Analysis: Staff and ADP resources for damage assessment, threat definition, and counter-deception analysis.

Staff: The study projects a need for some 525 additional personnel for counterintelligence and countermeasure activities.

Interdirectorate Liaison: Recognition that counterintelligence activities must be accompanied by countermeasure analysis and activity.

4. Implications of Phase III: Taken as a whole, the Phase III capability studies call for:

-- Significant increases across the board in analysts, collectors, and CA and CI operations officers. Based on figures contained in the studies and estimates for CA, DO portions of CI, and projected support requirements, the increases in toto would bring CIA strength to about [redacted] in 1992. This compares with an estimate of about [redacted] in the Intelligence Capabilities in 1985 study, and [redacted] projected for 1988 in the current CIAP Budget Estimate. CIA position levels, estimated from the Phase III papers and historical data for comparison, are presented in Attachments D and E respectively.

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-- New facilities in the Third World, including additional DO stations, FBIS units, and greatly [redacted]

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-- Substantial improvements and more widespread application of ADP to facilitate receipt and transmission of large quantities of data, storing and retrieving information, increasing the productivity of professional and clerical personnel, and creating new data bases.

-- Continued effort to meet the language needs for analysis, collection, and translation.

25X1 -- Increased participation in interagency programs such as [REDACTED]

25X1 -- Improved connectivity with other agencies for information collection, analysis, cover, training, requirement refinements, [REDACTED],

-- Development or acquisition of new analytical methodologies and data bases.

25X1 -- New areas for covert action, [REDACTED].

-- Heightened CI concerns for all aspects of security and new focus on technical threats and countermeasures.

-- Improved Agency-wide coordination on a wide variety of problems and selective interchange of personnel with specialized expertise.

Basically, the quantitative proposals in these studies call for the continuation of efforts already underway and are, for the most part, included in CIA's current budget and outyear projections. They are in makeup and priority responsive to the Intelligence Capabilities in 85 study and subsequent NFIP guidance. New facilities, major system improvements (NPIC upgrade, FBIS modernization), CA infrastructure, and upgrading of analyst skills are already built into the 1984-88 CIAP. No new major programs are called for in the Phase III studies.

Attachment F provides data on the relative effort placed on each of the geotopical targets of the CPB structure for 1982, 1984, and 1988. The data was obtained by dividing positions allotted to a given target by the total of positions for all the geotopical targets. (Use of funds instead of positions resulted in a nearly identical distribution.) The data includes all positions (analysis, tech collection, and HUMINT) assigned to the target. The increased effort against Third World (other than the Middle East) and the topical targets is evident in these figures.

All of these studies place stress on qualitative improvements in present programs as opposed to major project initiatives. These actions would bring about improvements in Agency capabilities nearly independent from increases in personnel, advances in technical systems, or more equipment. Areas cited for improvement are tradecraft, cover, relations with other organizations, personnel management, improved inter- and intra-directorate coordination, and better working conditions, etc.

The continued requests for more people underlines the thought that intelligence remains a people-intensive effort in spite (or because) of large-scale technical collection efforts. The implications of increased Agency size in terms of housing, communications, and ADP support raises fundamental questions on how big the Agency should get.

5. Long-Range Goals: The current long-range planning effort has been purposely kept free from resource considerations, either as a constraint or an output, in the interest of fostering innovative approaches to the future intelligence problems. While some broad resource impacts are discussed in the Phase III studies, the information they contain is not sufficient for investment utility or tradeoff estimates. Nevertheless, there is basis in the papers for formulating strategic goals which can serve to focus the Phase IV planning effort, and to guide the development of specific resource requests during the 1985 CIA program development.

The proposed goals are as follows:

INTELLIGENCE TARGET COVERAGE

Goal: Improve intelligence collection and analytic capabilities across the board in accordance with established priorities.

As has been noted in previous planning efforts, CIA is increasingly being called on to produce intelligence on a broader, more complicated range of issues and a larger number of countries. It is unlikely that this trend will be reversed, although as noted below, practical considerations may force the adoption of priorities.

AUTOMATION

Goal: Expedite the implementation of information handling capabilities for analysts, overseas stations, and administrative activities.

The factors which will most affect how we conduct our business in the future are likely to be information handling technology and methodology. We already recognize the need for applications to handle larger volumes of data faster, facilitate analytical judgments, etc. For the future, more professional recruits in all areas will be coming to us with experience on computers and word processors. They will expect to have this equipment as they expect to have telephones, typewriters, or small calculators now. Realistic applications outside of analysis may include global

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logistics, daily administration, electronic mail, working group management, etc.

TECHNOLOGY

Goal: Achieve substantial improvements in the security of agent operations, counterintelligence measures, and analysis through applications of technology and machine-assisted methodologies.

The Directorate of Operations is urgently concerned with the vulnerability of current and future agent operations to foreign detection and countermeasures. To alleviate these concerns, the Directorate will put emphasis on the development of technical means for enhancing agent abilities and for communicating. The introduction of such equipment into service must receive priority attention.

In the counterintelligence area, there is continued concern for human penetration attempts, and for new or expanded technical attacks. Effort should be devoted to enhancing [] measures and to improve the definition of the technical threat and the design of countermeasures.

The future operation of new collection systems and emphasis on new kinds of data (economic, etc) imply the need for automatic means of filing, retrieving, and manipulating the data.

INTERNAL LIAISON

Goal: Selectively increase the exchange of information, skills, and experience opportunities between the directorates.

There is a growing recognition of the need for specialized expertise outside that normally available in a given directorate for some of the more complex problems (such as nuclear proliferation). Other continuing problems such as analyst area familiarization and compilation of a worldwide data base might also benefit from early career exchanges of analysts and operations personnel. To accommodate this need, Agency managers should foster selective rotations and short-term working groups.

EXTERNAL LIAISON

Goal: Improve our relations with key US government agencies in order to achieve better coordination, operational assistance, cover, training opportunities, and access to other capabilities; as well as a significant

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increase in foreign intelligence collected by these agencies.

CIA must continue efforts to improve relations with all U.S. agencies. There will be increased reliance on many agencies for additional open-source data, etc. In return we need to be sensitive to their needs and interests. The principal area for expansion will be relations with the Department of Defense. Military



Relations with the Department of State must be improved [redacted], requirements and priority inputs, an increased flow of information.

CAREER INCENTIVES

Goal: Implement a unique CIA career corps structure which will be attractive to potential high quality careerists, and provide incentive for continued service by our existing staff.

INVESTMENT STRATEGY

Goal: Adopt a quantitative method for determining the priorities for investments against the area and topical intelligence targets.

As noted earlier in this paper, aggregate personnel requests, including an assumed proportionate increase in support, lead to an Agency of about [redacted] people in the 1990's. This is consistent with results of the Intelligence Capabilities in 1985 study (approximately [redacted] positions by 1990), and with the 1984 budget estimate which projects CIA strength at [redacted] in 1988.

The impact of these numbers on housing, ADP, communications and other support factors have not yet been established. But these impacts, potential future resource constraints, and general questions of manageability may lead to the conclusion that CIA should not or cannot get that big. Under these circumstances, we would need to make quantitative judgments on how to distribute bounded resources. The data made available in the Phase III studies was not intended to be used for this purpose.

The Intelligence Capabilities in 1985 study and its follow-on survey provide qualitative priorities; that is a list of the targets in priority order for investment. The survey does not show, for instance, the incremental benefit of additional resources against a particular target. The Intelligence Community Staff guidance for

the 1984 program incorporates these priorities and goes further in stating priorities for generic programmatic needs (analysts, HUMINT officers, equipment, etc.). None of these sources deal with the problem of what magnitude of increase is needed, what improvement would be expected, etc. We will need to be able to do this if we continue to expand our responsibilities for topics and countries and/or have to deal with resource constraints.

Some options for dealing with these problems are:

(1) Acquire a sophisticated investment methodology from a commercial source. Much work has been done in this area; and a number of systems are readily available. The cost of acquisition varies considerably and would include some dedicated time from analysts, operations officers, and managers. The results would serve to point out the relative merits of proposed options for further management consideration.

(2) Devise an informal methodology in-house. This would involve creating proposals for increased resources on the area and topical targets, quantitative surveys to assess the expected improvement in capability, and knowledge of the problem priority. These factors could be combined to produce a figure of merit for an investment proposal. The methodology would serve as a framework for displaying the relative merits of selected resource options. Final decisions would be made by the usual EXCOM review process.

6. Alternative Strategies: Based on the information provided so far in the planning process, several alternative investment strategies are identified:

25X1 a. Alternative A: Aim for growth in Agency manpower to about [] positions by 1992, apportion these positions in a manner similar to the FY 1984 program, and strive for paced qualitative improvements in automation, technical systems, and management.

25X1 b. Alternative B: Aim for growth in Agency manpower to about [] positions in 1993, but reapportion the increases beyond FY 1984 to those high priority areas that are described in the Phase II and Phase III studies -- nuclear proliferation, Third World stability, international economics, etc.; and strive for paced qualitative improvements in automation, technical collection, and management.

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c. Alternative C: Hold the growth in Agency personnel positions to the FY 1984 level of maintain the FY 1984 apportionment of these positions, and strive for paced qualitative improvements.

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d. Alternative D: Same as Alternative C, except for reapportioning positions by FY 1992 to emphasize efforts on specific high-priority problems.

e. Alternative E: Hold personnel strength for FY 1992 to the proposed FY 1984 level of reapportion positions by FY 1992 to emphasize efforts on specific high-priority problems and accelerate efforts on qualitative improvements in automation, technical systems, and management.

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